



COMPENSATION RATING AND INSPECTION BUREAU

60 PARK PLACE

NEWARK, NEW JERSEY 07102

(973) 622-6014

FREDERICK A. HUBER
Executive Director

PAUL G. WITKO, ESQ.
Associate Executive Director
General Counsel

May 23, 2014

MANUAL AMENDMENT BULLETIN #463

To All Bureau Members and Subscribers:

Re: **Changes to Manual Rules - Forms**

The Commissioner of Banking and Insurance has approved changes to policy forms in the New Jersey Workers Compensation and Employers Liability Insurance Manual (Manual). The changes are effective January 1, 2015 on a new and renewal basis.

The Workers Compensation and Employers Liability Insurance Policy and several endorsements in the Manual are revised to provide consistency with policy forms that will be used nationally on and after January 1, 2015. Changes are necessary to update statutory names and citations, to reflect recent court decisions and rule changes, and to correct grammatical errors.

The Information Page currently used nationally is approved for use in New Jersey. The new Information Page requires the same state specific information that was included on the previous form. The requirements are described in the Information Page Notes, which are also changed to accommodate the new Information Page.

FORMS

Amend 3:2 to include the Workers Compensation and Employers Liability Insurance Policy, (WC 00 00 00 C). The new Policy is attached as Exhibit I.

Amend 3:2 to include the Information Page, (WC 00 00 01 A) and the Information Page Notes. The new Information Page and the accompanying Notes are attached as Exhibit II.

Amend 3:2 to include the Outer Continental Shelf Lands Act Coverage Endorsement, (WC 00 01 09 C). The new Endorsement is attached as Exhibit III.

Amend 3:2 to include the Maritime Coverage Endorsement, (WC 00 02 01 B). The new Endorsement is attached as Exhibit IV.

Amend 3:2 to include the Retrospective Rating Plan Premium Endorsement – One-Year Plan, (WC 00 05 03 C). The new Endorsement is attached as Exhibit V.

Amend 3:2 to include the Retrospective Rating Plan Premium Endorsement – Three-Year Plan, (WC 00 05 04 C). The new Endorsement is attached as Exhibit VI.

Amend 3:2 to include the Retrospective Rating Plan Premium Endorsement – Wrap-Up Construction Project, (WC 00 05 05 C). The new Endorsement is attached as Exhibit VII.

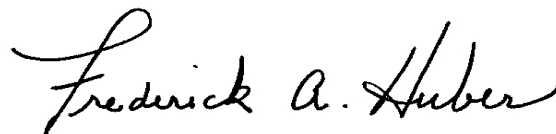
Amend 3:2 to include the Retrospective Rating Plan Premium Endorsement – Nonratable Catastrophe Element or Surcharge, (WC 00 05 10 B). The new Endorsement is attached as Exhibit VIII.

The “Index – Policy Forms and Endorsements” is **amended** to include the aforementioned changes. The amended Index is attached as Exhibit IX.

With respect to policy forms, please note Section 3:2-1 of the Manual wherein the rules for the filing of forms are explained.

The following policy forms are withdrawn effective January 1, 2015:

Workers Compensation and Employers Liability Insurance Policy (WC 00 00 00 B)
Information Page (WC 00 00 01 B)
Information Page Notes (WC 00 00 01 B)
Outer Continental Shelf Lands Act Coverage Endorsement (WC 00 01 09 B)
Maritime Coverage Endorsement (WC 00 02 01 A)
Retrospective Rating Plan Premium Endorsement – One-Year Plan (WC 00 05 03 B)
Retrospective Rating Plan Premium Endorsement – Three-Year Plan (WC 00 05 04 B)
Retrospective Rating Plan Premium Endorsement – Wrap-Up Construction
Project (WC 00 05 05 B)
Retrospective Rating Plan Premium Endorsement – Nonratable Catastrophe Element
or Surcharge (WC 00 05 10 A)



Frederick A. Huber
Executive Director

FAH:njl
Att.

EXHIBIT I

WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE POLICY

WC 00 00 00 C

In return for the payment of the premium and subject to all terms of this policy, we agree with you as follows:

The employee's last day of last exposure to the conditions causing or aggravating such bodily injury by disease must occur during the policy period.

GENERAL SECTION

A. The Policy

This policy includes at its effective date the Information Page and all endorsements and schedules listed there. It is a contract of insurance between you (the employer named in Item 1 of the Information Page) and us (the insurer named on the Information Page). The only agreements relating to this insurance are stated in this policy. The terms of this policy may not be changed or waived except by endorsement issued by us to be part of this policy.

B. Who Is Insured

You are insured if you are an employer named in Item 1 of the Information Page. If that employer is a partnership, and if you are one of its partners, you are insured, but only in your capacity as an employer of the partnership's employees.

C. Workers Compensation Law

Workers Compensation Law means the workers or workmen's compensation law and occupational disease law of each state or territory named in Item 3.A. of the Information Page. It includes any amendments to that law which are in effect during the policy period. It does not include any federal workers or workmen's compensation law, any federal occupational disease law or the provisions of any law that provide nonoccupational disability benefits.

D. State

State means any state of the United States of America, and the District of Columbia.

E. Locations

This policy covers all of your workplaces listed in Items 1 or 4 of the Information Page; and it covers all other workplaces in Item 3.A. states unless you have other insurance or are self-insured for such workplaces.

B. We Will Pay

We will pay promptly when due the benefits required of you by the workers compensation law.

C. We Will Defend

We have the right and duty to defend at our expense any claim, proceeding or suit against you for benefits payable by this insurance. We have the right to investigate and settle these claims, proceedings or suits.

We have no duty to defend a claim, proceeding or suit that is not covered by this insurance.

D. We Will Also Pay

We will also pay these costs, in addition to other amounts payable under this insurance, as part of any claim, proceeding or suit we defend:

- 1) reasonable expenses incurred at our request, but not loss of earnings;
- 2) premiums for bonds to release attachments and for appeal bonds in bond amounts up to the amount payable under this insurance;
- 3) litigation costs taxed against you;
- 4) interest on a judgment as required by law until we offer the amount due under this insurance; and
- 5) expenses we incur.

E. Other Insurance

We will not pay more than our share of benefits and costs covered by this insurance and other insurance or self-insurance. Subject to any limits of liability that may apply, all shares will be equal until the loss is paid. If any insurance or self-insurance is exhausted, the shares of all remaining insurance will be equal until the loss is paid.

F. Payments You Must Make

You are responsible for any payments in excess of the benefits regularly provided by the workers compensation law including those required because:

- 1) of your serious and willful misconduct;
- 2) you knowingly employ an employee in violation of law;
- 3) you fail to comply with a health or safety law or regulation; or

PART ONE

WORKERS COMPENSATION INSURANCE

A. How This Insurance Applies

This workers compensation insurance applies to bodily injury by accident or bodily injury by disease. Bodily injury includes resulting death.

- 1) Bodily injury by accident must occur during the policy period.
- 2) Bodily injury by disease must be caused or aggravated by the conditions of your employment.

EXHIBIT I (Cont'd)

WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE POLICY

WC 00 00 00 C

- 4) you discharge, coerce or otherwise discriminate against any employee in violation of the workers compensation law.

If we make any payments in excess of the benefits regularly provided by the workers compensation law on your behalf, you will reimburse us promptly.

G. Recovery From Others

We have your rights, and the rights of persons entitled to the benefits of this insurance, to recover our payments from anyone liable for the injury. You will do everything necessary to protect those rights for us and to help us enforce them.

H. Statutory Provisions

These statements apply where they are required by law.

- 1) As between an injured worker and us, we have notice of the injury when you have notice.
- 2) Your default or the bankruptcy or insolvency of you or your estate will not relieve us of our duties under this insurance after an injury occurs.
- 3) We are directly and primarily liable to any person entitled to the benefits payable by this insurance. Those persons may enforce our duties; so may an agency authorized by law. Enforcement may be against us or against you and us.
- 4) Jurisdiction over you is jurisdiction over us for purposes of the workers compensation law. We are bound by decisions against you under that law, subject to the provisions of this policy that are not in conflict with that law.
- 5) This insurance conforms to the parts of the workers compensation law that apply to:
 - a) benefits payable by this insurance;
 - b) special taxes, payments into security or other special funds, and assessments payable by us under that law.
- 6) Terms of this insurance that conflict with the workers compensation law are changed by this statement to conform to that law.

Nothing in these paragraphs relieves you of your duties under this policy.

PART TWO EMPLOYERS LIABILITY INSURANCE

A. How This Insurance Applies

This employers liability insurance applies to bodily injury by accident or bodily injury by disease. Bodily injury includes resulting death.

- 1) The bodily injury must arise out of and in the course of the injured employee's employment by you.
- 2) The employment must be necessary or incidental to your work in a state or territory listed in Item 3.A. of the Information Page.
- 3) Bodily injury by accident must occur during the policy period.
- 4) Bodily injury by disease must be caused or aggravated by the conditions of your employment. The employee's last day of last exposure to the conditions causing or aggravating such bodily injury by disease must occur during the policy period.
- 5) If you are sued, the original suit and any related legal actions for damages for bodily injury by accident or by disease must be brought in the United States of America, its territories or possessions, or Canada.

B. We Will Pay

We will pay all sums that you legally must pay as damages because of bodily injury to your employees, provided the bodily injury is covered by this Employers Liability Insurance.

The damages we will pay, where recovery is permitted by law, include damages:

- 1) For which you are liable to a third party by reason of a claim or suit against you by that third party to recover the damages claimed against such third party as a result of injury to your employee;
- 2) For care and loss of services; and
- 3) For consequential bodily injury to a spouse, child, parent, brother or sister of the injured employee; provided that these damages are the direct consequence of bodily injury that arises out of and in the course of the injured employee's employment by you; and
- 4) Because of bodily injury to your employee that arises out of and in the course of employment, claimed against you in a capacity other than as employer.

C. Exclusions

This insurance does not cover:

- 1) Liability assumed under a contract. This exclusion does not apply to a warranty that your work will be done in a workmanlike manner;
- 2) Punitive or exemplary damages because of bodily injury to an employee employed in violation of law;

EXHIBIT I (Cont'd)

WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE POLICY

WC 00 00 00 C

- 3) Bodily injury to an employee while employed in violation of law with your actual knowledge or the actual knowledge of any of your executive officers;
- 4) Any obligation imposed by a workers compensation, occupational disease, unemployment compensation, or disability benefits law, or any similar law;
- 5) Bodily injury intentionally caused or aggravated by you;
- 6) Bodily injury occurring outside the United States of America, its territories or possessions, and Canada. This exclusion does not apply to bodily injury to a citizen or resident of the United States of America or Canada who is temporarily outside these countries;
- 7) Damages arising out of coercion, criticism, demotion, evaluation, reassignment, discipline, defamation, harassment, humiliation, discrimination against or termination of any employee, or any personnel practices, policies, acts or omissions;
- 8) Bodily injury to any person in work subject to the Longshore and Harbor Workers' Compensation Act (33 U.S.C. Section 901 et seq.), Non-Appropriated Fund Instrumentalities Act (5 U.S.C. Section 8171 et seq.), the Outer Continental Shelf Lands Act (43 U.S.C. Section 1331 et seq.), the Defense Base Act (42 U.S.C. Sections 1651-1654), the Federal Mine Safety and Health Act (30 U.S.C. Section 801 et seq. and 901-944), any other federal workers or workmen's compensation law or other federal occupational disease law, or any amendments to these laws;
- 9) Bodily injury to any person in work subject to the Federal Employers' Liability Act (45 U.S.C. Section 51 et seq.), any other federal laws obligating an employer to pay damages to an employee due to bodily injury arising out of or in the course of employment, or any amendments to those laws;
- 10) Bodily injury to a master or member of the crew of any vessel, and does not cover punitive damages related to your duty or obligation to provide transportation, wages, maintenance, and cure under any applicable maritime law;
- 11) Fines or penalties imposed for violation of federal or state law; and
- 12) Damages payable under the Migrant and Seasonal Agricultural Worker Protection Act (29 U.S.C. Section 1801 et seq.) and under any other federal law awarding damages for violation of those laws or regulations issued thereunder, and any

amendments to those laws.

D. We Will Defend

We have the right and duty to defend, at our expense, any claim, proceeding or suit against you for damages payable by this insurance. We have the right to investigate and settle these claims, proceedings and suits.

We have no duty to defend a claim, proceeding or suit that is not covered by this insurance. We have no duty to defend or continue defending after we have paid our applicable limit of liability under this insurance.

E. We Will Also Pay

We will also pay these costs, in addition to other amounts payable under this insurance, as part of any claim, proceeding, or suit we defend:

- 1) Reasonable expenses incurred at our request, but not loss of earnings;
- 2) Premiums for bonds to release attachments and for appeal bonds in bond amounts up to the limit of our liability under this insurance;
- 3) Litigation costs taxed against you;
- 4) Interest on a judgment as required by law until we offer the amount due under this insurance; and
- 5) Expenses we incur.

F. Other Insurance

We will not pay more than our share of damages and costs covered by this insurance and other insurance or self-insurance. Subject to any limits of liability that apply, all shares will be equal until the loss is paid. If any insurance or self-insurance is exhausted, the shares of all remaining insurance and self-insurance will be equal until the loss is paid.

G. Limits of Liability

Our liability to pay for damages is limited. Our limits of liability are shown in Item 3.B. of the Information Page. They apply as explained below.

- 1) Bodily Injury by Accident. The limit shown for "bodily injury by accident—each accident" is the most we will pay for all damages covered by this insurance because of bodily injury to one or more employees in any one accident. A disease is not bodily injury by accident unless it results directly from bodily injury by accident.
- 2) Bodily Injury by Disease. The limit shown for "bodily injury by disease—policy limit" is the most we will pay for all damages covered by this insurance and arising out of bodily injury by disease, regardless of the number of employees who

EXHIBIT I (Cont'd)

WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE POLICY

WC 00 00 00 C

sustain bodily injury by disease. The limit shown for "bodily injury by disease— each employee" is the most we will pay for all damages because of bodily injury by disease to any one employee. Bodily injury by disease does not include disease that results directly from a bodily injury by accident.

- 3) We will not pay any claims for damages after we have paid the applicable limit of our liability under this insurance.

H. Recovery From Others

We have your rights to recover our payment from anyone liable for an injury covered by this insurance. You will do everything necessary to protect those rights for us and to help us enforce them.

I. Actions Against Us

There will be no right of action against us under this insurance unless:

- 1) You have complied with all the terms of this policy; and
- 2) The amount you owe has been determined with our consent or by actual trial and final judgment.

This insurance does not give anyone the right to add us as a defendant in an action against you to determine your liability. The bankruptcy or insolvency of you or your estate will not relieve us of our obligations under this Part.

PART THREE OTHER STATES INSURANCE

A. How This Insurance Applies

- 1) This other states insurance applies only if one or more states are shown in Item 3.C. of the Information Page.
- 2) If you begin work in any one of those states after the effective date of this policy and are not insured or are not self-insured for such work, all provisions of the policy will apply as though that state were listed in Item 3.A. of the Information Page.
- 3) We will reimburse you for the benefits required by the workers compensation law of that state if we are not permitted to pay the benefits directly to persons entitled to them.
- 4) If you have work on the effective date of this policy in any state not listed in Item 3.A. of the Information Page, coverage will not be afforded for that state unless we are notified within thirty days.

B. Notice

Tell us at once if you begin work in any state listed in Item 3.C. of the Information Page.

PART FOUR

YOUR DUTIES IF INJURY OCCURS

Tell us at once if injury occurs that may be covered by this policy. Your other duties are listed here.

- 1) Provide for immediate medical and other services required by the workers compensation law.
- 2) Give us or our agent the names and addresses of the injured persons and of witnesses, and other information we may need.
- 3) Promptly give us all notices, demands and legal papers related to the injury, claim proceeding or suit.
- 4) Cooperate with us and assist us, as we may request, in the investigation, settlement or defense of any claim, proceeding or suit.
- 5) Do nothing after an injury occurs that would interfere with our right to recover from others.
- 6) Do not voluntarily make payments, assume obligation or incur expenses, except at your own cost.

PART FIVE—PREMIUM

A. Our Manuals

All premium for this policy will be determined by our manuals of rules, rates, rating plans and classifications. We may change our manuals and apply the changes to this policy if authorized by law or a governmental agency regulating this insurance.

B. Classifications

Item 4 of the Information Page shows the rate and premium basis for certain business or work classifications. These classifications were assigned based on an estimate of the exposures you would have during the policy period. If your actual exposures are not properly described by those classifications, we will assign proper classifications, rates and premium basis by endorsement to this policy.

C. Remuneration

Premium for each work classification is determined by multiplying a rate times a premium basis. Remuneration is the most common premium basis. This premium basis includes payroll and all other remuneration paid or payable during the policy period for the services of:

- 1) all your officers and employees engaged in work covered by this policy; and
- 2) all other persons engaged in work that could make us liable under Part One (Workers Compensation Insurance) of this policy. If you do not have

EXHIBIT I (Cont'd)

WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE POLICY

WC 00 00 00 C

payroll records for these persons, the contract price for their services and materials may be used as the premium basis. This paragraph 2 will not apply if you give us proof that the employers of these persons lawfully secured their workers compensation obligations.

D. Premium Payments

You will pay all premium when due. You will pay the premium even if part or all of a workers compensation law is not valid.

E. Final Premium

The premium shown on the Information Page, schedules, and endorsements is an estimate. The final premium will be determined after this policy ends by using the actual, not the estimated, premium basis and the proper classifications and rates that lawfully apply to the business and work covered by this policy. If the final premium is more than the premium you paid to us, you must pay us the balance. If it is less, we will refund the balance to you. The final premium will not be less than the highest minimum premium for the classifications covered by this policy.

If this policy is canceled, final premium will be determined in the following way unless our manuals provide otherwise:

- 1) If we cancel, final premium will be calculated pro rata based on the time this policy was in force. Final premium will not be less than the pro rata share of the minimum premium.
- 2) If you cancel, final premium will be more than pro rata; it will be based on the time this policy was in force, and increased by our short-rate cancellation table and procedure. Final premium will not be less than the minimum premium.

F. Records

You will keep records of information needed to compute premium. You will provide us with copies of those records when we ask for them.

G. Audit

You will let us examine and audit all your records that relate to this policy. These records include ledgers, journals, registers, vouchers, contracts, tax reports, payroll and disbursement records, and programs for storing and retrieving data. We may conduct the audits during regular business hours during the policy period and within three years after the policy period ends. Information developed by audit will be used to determine final premium. Insurance rate service organizations have the same rights we have under this provision.

PART SIX—CONDITIONS

A. Inspection

We have the right, but are not obliged to inspect your workplaces at any time. Our inspections are not safety inspections. They relate only to the insurability of the workplaces and the premiums to be charged. We may give you reports on the conditions we find. We may also recommend changes. While they may help reduce losses, we do not undertake to perform the duty of any person to provide for the health or safety of your employees or the public. We do not warrant that your workplaces are safe or healthful or that they comply with laws, regulations, codes or standards. Insurance rate service organizations have the same rights we have under this provision.

B. Long Term Policy

If the policy period is longer than one year and sixteen days, all provisions of this policy will apply as though a new policy were issued on each annual anniversary that this policy is in force.

C. Transfer of Your Rights and Duties

Your rights or duties under this policy may not be transferred without our written consent.

If you die and we receive notice within thirty days after your death, we will cover your legal representative as insured.

D. Cancellation

- 1) You may cancel this policy. You must mail or deliver advance written notice to us stating when the cancellation is to take effect.
- 2) We may cancel this policy. We must mail or deliver to you not less than ten days advance written notice stating when the cancellation is to take effect. Mailing that notice to you at your mailing address shown in Item 1 of the Information Page will be sufficient to prove notice.
- 3) The policy period will end on the day and hour stated in the cancellation notice.
- 4) Any of these provisions that conflict with a law that controls the cancellation of the insurance in this policy is changed by this statement to comply with the law.

E. Sole Representative

The insured first named in Item 1 of the Information Page will act on behalf of all insureds to change this policy, receive return premium, and give or receive notice of cancellation.

Note: Any company operating on a Participating or Mutual basis shall include a participating provision as Paragraph "F" or shall file a Participating Provisions Endorsement for separate approval.

EXHIBIT II

WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE POLICY

WC 00 00 01 A

INFORMATION PAGE

Insurer:

POLICY NO.														

1. The Insured: _____ Individual _____ Partnership

Mailing address: _____ Corporation or _____

Other workplaces not shown above:

2. The policy period is from _____ to _____ at the insured's mailing address.

3. A. Workers Compensation Insurance: Part One of the policy applies to the Workers Compensation Law of the states listed here:

B. Employers Liability Insurance: Part Two of the policy applies to work in each state listed in Item 3.A. The limits of our liability under Part Two are:

Bodily Injury by Accident	\$ _____	each accident
Bodily Injury by Disease	\$ _____	policy limit
Bodily Injury by Disease	\$ _____	each employee

C. Other States Insurance: Part Three of the policy applies to the states, if any, listed here:

D. This policy includes these endorsements and schedules:

4. The premium for this policy will be determined by our Manuals of Rules, Classifications, Rates and Rating Plans. All information required below is subject to verification and change by audit.

Classifications	Code No.	Premium Basis Total Estimated Annual Remuneration	Rate Per \$100 of Remuneration	Estimated Annual Premium
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Total Estimated Annual Premium \$

Minimum Premium \$ Expense Constant Charge \$

Countersigned by _____

EXHIBIT II (Cont'd)

WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE POLICY

INFORMATION PAGE NOTES NEW JERSEY REQUIREMENTS

1. The sequence of Items 1 through 4 of the Information Page may not be changed, except for Item 3.D. (see note 13). The format of each item may be rearranged where permitted.
2. The name and the 5 digit NCCI company code number of the insurer (company) must be appropriately labeled as such and shown prominently on the Information Page in the space above Item 1. Multi-Company groups must make appropriate reference to the name and "Company No." of the member of the group providing the insurance.
3. The address of the company and type of insurer (stock, mutual or other) is to be shown on the Information Page, the policy or the policy jacket. The policy number must be appropriately labeled as such, must be shown in the space reserved above Item 1 and shall not exceed 18 alphanumeric characters. Where the policy number exceeds 18 alphanumeric characters, any imbedded spaces and/or marks of punctuation shall be excluded.

If the policy number displayed on the Information Page contains symbols or other identifying characteristics that are not part of the actual policy number, such symbols or other identifying characteristics must be separated from the policy number and appropriately labeled. The policy number shall be unique, must remain constant during the policy period and must be used on all correspondence, endorsements, cancellations, reinstatements and statistical reports filed after the policy is issued.
4. The prior policy number must be appropriately labeled as such on the renewal policy Information Page in the space reserved above Item 1 and shall not exceed 18 alphanumeric characters. Where the prior policy number exceeds 18 alphanumeric characters, any imbedded spaces and marks of punctuation shall be excluded.

New business must be identified as "New."

The policy number of a policy which is rewritten or reissued must be identified as the prior policy number on the replacement policy Information Page. The replacement policy Information Page shall be identified as a rewrite or reissue policy and must contain a different policy number from the original policy regardless of whether the original policy was canceled flat or mid term.
5. The New Jersey Taxpayer Identification Number (NJ TIN) must be appropriately labeled as such and shown prominently on the Information Page in the space above Item 1. An NJ TIN must be provided for each employer insured. The NJ TIN is described in 3:3-10A of the Manual.
6. Show the letters "AR" next to the title "Information Page" if the insured is a Plan risk.
7. Show in Item 1 the exact name of each employer insured and indicate whether the insured is an individual, partnership, corporation, association, joint venture, or other form of legal entity.
8. List in Item 1 or by schedule all usual workplaces of the insured that are to be covered by the policy.
9. Show in Item 2 the effective date and hour of the policy and its expiration date and hour. The hour may be printed at the company's option.
10. List in Item 3.A. states where state workers compensation insurance is provided. The standard two character postal abbreviations should be used.
11. Show limits of liability separately for bodily injury by accident and by disease in Item 3.B.
12. States may be named in Item 3.C., but do not name a state listed in Item 3.A., a monopolistic state fund state or a state where the company will not provide this coverage. If the company learns that the insured is conducting operations in a 3.C. state, and if the company agrees to continue coverage, the company should add that state to Item 3.A. and remove it from 3.C. Normal company procedures apply when the state is added to Item 3.A. The standard two character postal abbreviation should be used.
13. Item 3.D. may be omitted provided a listing of the policy endorsement numbers appears elsewhere on the Information Page. Endorsements forming a part of the policy on its effective date must be filed by listing the standard eight character identifier together with the one alpha character version identifier as shown in 3:2-8 of this Manual provided that the endorsement form has been approved for use in New Jersey. Any endorsement requiring the insertion of variable information must also be physically attached to the Information Page.
14. If the policy is issued for less than one year, the company may state in Item 4 whether the premium information is shown for the policy period or for an annual period.
15. In Item 4, the development of the New Jersey estimated annual premium shall be displayed separately for each classification by each New Jersey location. This same display of New Jersey premium development must also be shown on all classification schedules attached to the policy.

Item 4 must include all charges or credits affecting the total New Jersey estimated annual cost. All New Jersey entities must be identified and in proper sequence. Where such items have been assigned a specific statistical code, such code may be entered in the classification code field. The total New Jersey estimated annual cost as presented to the insured must be shown.
16. The New Jersey experience rating modification factor shall be shown in Item 4 for risks subject to experience rating, unless this factor is not available when the policy is issued. In such cases, the company may make an appropriate entry or show the previous factor in Item 4 and specify that the current factor will be applied when it is available. See the Experience Rating Modification Factor Endorsement WC 00 04 03 for reference.
17. New Jersey premium discount, if applicable, must be shown in Item 4.
18. Deposit premium, producer and issuing office must be shown in Item 4.
19. The company may place the execution clause at the end of the Information Page, at the end of the standard policy or on the policy jacket.

EXHIBIT III

WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE POLICY

WC 00 01 09 C

OUTER CONTINENTAL SHELF LANDS ACT COVERAGE ENDORSEMENT

This endorsement applies only to the work described in Item 4 of the Information Page or in the Schedule as subject to the Outer Continental Shelf Lands Act. The policy will apply to that work as though the location shown in the Schedule were, a state named in Item 3.A. of the Information Page.

General Section C. Workers' Compensation Law is replaced by the following:

C. Workers' Compensation Law

Workers' Compensation Law means the workers or workmen's compensation law and occupational disease law of each state or territory named in Item 3.A. of the Information Page and the Outer Continental Shelf Lands Act (43 U.S.C. Section 1331 et. seq.). It includes any amendments to those laws that are in effect during the policy period. It does not include any other federal workers or workmen's compensation law, other federal occupational disease law or the provisions of any law that provide nonoccupational disability benefits.

Part Two (Employers Liability Insurance), C. Exclusions., exclusion 8, does not apply to work subject to the Outer Continental Shelf Lands Act.

Schedule

Description and Location of Work

This endorsement changes the policy to which it is attached and is effective on the date issued unless otherwise stated.

(The information below is required only when this endorsement is issued subsequent to preparation of the policy.)

Endorsement Effective
Insured

Policy No.

Endorsement No.
Premium \$

Insurance Company

Countersigned by _____

EXHIBIT IV

WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE POLICY

WC 00 02 01 B

MARITIME COVERAGE ENDORSEMENT

This endorsement changes how insurance provided by Part Two (Employers Liability Insurance) applies to bodily injury to a master or member of the crew of any vessel.

A. How This Insurance Applies is replaced by the following:

A. How This Insurance Applies

This insurance applies to bodily injury by accident or bodily injury by disease. Bodily injury includes resulting death.

- 1) The bodily injury must arise out of and in the course of the injured employee's employment by you.
- 2) The employment must be necessary or incidental to work described in Item 1 of the Schedule of the Maritime Coverage Endorsement.
- 3) The bodily injury must occur in the territorial limits of, or in the operation of a vessel sailing directly between the ports of, the continental United States of America, Alaska, Hawaii or Canada.
- 4) Bodily injury by accident must occur during the policy period.
- 5) Bodily injury by disease must be caused or aggravated by the conditions of your employment. The employee's last day of last exposure to the conditions causing or aggravating such bodily injury by disease must occur during the policy period.
- 6) If you are sued, the original suit and any related legal actions for damages for bodily injury by accident or by disease must be brought in the United States of America, its territories or possessions, or Canada.

C. Exclusions is changed by removing exclusion 10 and by adding exclusions 13 and 14.

This insurance does not cover:

- 13) Bodily injury covered by a Protection and Indemnity Policy or similar policy issued to you or for your benefit. This exclusion applies even if the other policy does not apply because of another insurance clause, deductible or limitation of liability clause, or any similar clause.
- 14) Your duty or obligation to provide transportation, wages, maintenance, and cure. This exclusion does not apply if a premium entry is shown in Item 2 of the Schedule, except that punitive damages related to your duty or obligation to provide transportation, wages, maintenance, and cure under any applicable maritime law are excluded even if a premium is paid for transportation, wages, maintenance, and cure coverage.

D. We Will Defend is changed by adding the following statement:

We will treat a suit or other action in rem against a vessel owned or chartered by you as a suit against you.

G. Limits of Liability

Our liability to pay for damages is limited. Our limits of liability are shown in the Schedule. They apply as explained below.

- 1) Bodily Injury by Accident. The limit shown for "bodily injury by accident—each accident" is the most we will pay for all damages covered by this insurance because of bodily injury to one or more employees in any one accident.
A disease is not bodily injury by accident unless it results directly from bodily injury by accident.
- 2) Bodily Injury by Disease. The limit shown for "bodily injury by disease—aggregate" is the most we will pay for all damages covered by this insurance because of bodily injury by disease to one or more employees. The limit applies separately to bodily injury by disease arising out of work in each state shown in Item 3.A. of the Information Page. Bodily injury by disease will be deemed to occur in the state of the vessel's home port.
Bodily injury by disease does not include disease that results directly from a bodily injury by accident.
- 3) We will not pay any claims for damages after we have paid the applicable limit of our liability under this insurance.

EXHIBIT IV (Cont'd)

WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE POLICY

WC 00 02 01 B

Schedule

1. Description of work:

2. Transportation, Wages, Maintenance and Cure Premium \$

Exclusion: This insurance does not cover punitive damages related to your duty or obligation to provide transportation, wages, maintenance, and cure under any applicable maritime law even if a premium is paid for transportation, wages, maintenance, and cure coverage.

3. Limits of Liability

Bodily Injury by Accident \$ _____ each accident

Bodily Injury by Disease \$ _____ aggregate

This endorsement changes the policy to which it is attached and is effective on the date issued unless otherwise stated.

(The information below is required only when this endorsement is issued subsequent to preparation of the policy.)

Endorsement Effective
Insured

Policy No. _____

Endorsement No.
Premium \$ _____

Insurance Company _____

Countersigned by _____

Notes:

- 1) Use this endorsement to afford maritime coverage under Coverage I or II as provided in 3:6 of the New Jersey Manual where the employer has maritime exposure and no Protection and Indemnity policy, or has a Protection and Indemnity policy that does not cover all its operations.
- 2) Use Item 1 of the Schedule to describe the maritime operations that are to be insured by this endorsement. The description may include limitations by size, ownership or name of vessel and limitations by names of waterways to be used by the vessels.
- 3) If Coverage I is afforded, use the rate in 3:6-11 of the New Jersey Manual to calculate the premium entry in Item 2. If Coverage II is afforded, enter only "Coverage II" in Item 2, since the rates for Coverage II include provision for transportation, wages, maintenance and cure.
- 4) Complete Item 3 with the appropriate limits of liability. For reference, see 3:6-12 through 14 of the New Jersey Manual.

EXHIBIT V

WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE POLICY

WC 00 05 03 C

RETROSPECTIVE RATING PLAN PREMIUM ENDORSEMENT ONE YEAR PLAN

This endorsement is added to Part Five (Premium) because you chose to have the cost of the insurance rated retrospectively. This endorsement explains the rating plan and how a retrospective rating plan premium will be determined.

This endorsement applies in the states listed in the Schedule. It determines the retrospective rating plan premium for the insurance provided during the rating plan period by this policy and any other policy listed in the Schedule. The rating plan period is the one-year period beginning with the effective date of this endorsement.

The amount of retrospective rating plan premium depends on five standard elements and two elective elements.

A. Retrospective Rating Plan Premium Standard Elements

The five standard elements are explained here.

- 1) Standard premium is the premium we would charge during the rating plan period if you had not chosen a retrospective rating plan. Standard premium does not include the following elements and any other elements excluded based on our manuals:
 - Premium discount
 - Expense constant
 - Premium resulting from the nonratable element codes
 - Premium developed by the occupational disease rates for employers subject to the Federal Mine Safety and Health Act
 - Premium developed by the catastrophe provisions
- 2) Basic premium is less than standard premium. It is standard premium multiplied by a percentage called the basic premium factor. The basic premium factor varies depending on the total amount of standard premium. The basic premium factor includes:
 - General administration costs of the carrier
 - Cost of loss control services
 - Insurance charge

The basic premium factor does not cover premium taxes or claims adjustment expenses. Those elements are usually provided for in the tax multiplier and the loss conversion factor.

The Schedule shows a range of basic premium factors for differing amounts of estimated standard premium. The actual basic premium factor will be determined after the standard premium is determined. If earned standard premium is not within the range of the estimated standard premiums shown in the Schedule, the basic premium will be recalculated.

- 3) Incurred losses are all amounts we pay or estimate we will pay for losses, interest on judgements, expenses to recover against third parties, and employers liability loss adjustment expenses. This includes paid and outstanding losses (including any reserves set on open claims). If the allocated loss adjustment expense (ALAE) option is elected, then incurred losses will include ALAE.

Note: The rating formula for incurred losses will not include a loss for the following elements or any other elements excluded from our manuals, as applicable:

- Resulting from the nonratable element codes
 - For the disease-related portion of losses covered under the Federal Mine Safety and Health Act
 - Resulting from the application of catastrophe provisions
 - Reported as fully fraudulent
 - Reported as non-compensable
- 4) Converted incurred losses are based on the incurred losses for a policy or policies to which the retrospective rating plan applies. A loss conversion factor is applied to incurred losses to produce the converted incurred losses. The loss conversion factor is shown in the Schedule.

EXHIBIT V (Cont'd)

WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE POLICY

WC 00 05 03 C

- 5) Taxes are a part of the premium we collect. Taxes are determined as a percentage of basic premium, converted incurred losses, and any elective elements. The percentage is called the tax multiplier. It varies by state and by federal and non-federal classifications. The tax multipliers are shown in the Schedule.

B. Retrospective Rating Plan Premium Elective Elements

Two other elements are included in determining retrospective rating plan premium if you elected to include them. They are the excess loss premium for the loss limitation and the retrospective development premium. They are explained here.

- 1) The election of a loss limitation means that the amount of incurred loss to be included in the retrospective rating plan premium is limited to an amount called the loss limitation. The loss limitation applies separately to each person who sustains bodily injury by disease and separately to all bodily injury arising out of any one accident.

The charge for this loss limitation is called the excess loss premium. Excess loss premium is a percentage of standard premium multiplied by the loss conversion factor. The percentage is called the excess loss premium factor.

Excess loss premium factors vary by state, by classification, and by the amount of the loss limitation. If you chose this elective element, the loss conversion factor, the loss limitation, the excess loss premium factors, and the states where they apply are shown in the Schedule.

- 2) The retrospective development element is used to help stabilize premium adjustments. The premium for this element is charged with the first three calculations of a retrospective rating plan premium and is called the retrospective development premium. It is a percentage of standard premium multiplied by the loss conversion factor. The percentage of standard premium is called the retrospective development factor.

Retrospective development factors vary by state, by electing a loss limitation, and by first, second, and third calculations of retrospective rating plan premium. If you chose this elective element, the retrospective development factors are shown in the Schedule.

C. Retrospective Rating Plan Premium Formula

Insurance policies listed in the Schedule will be combined with this policy to calculate the retrospective rating plan premium. If the policies provide insurance for more than one insured, the retrospective rating plan premium will be determined for all insureds combined, not separately for each insured.

- 1) Retrospective rating plan premium is the sum of basic premium, converted losses, plus the excess loss premium and retrospective development premium elective elements if you chose them. This sum is multiplied by the applicable tax multiplier shown in the Schedule.
- 2) The retrospective rating plan premium will not be less than the minimum or more than the maximum retrospective rating plan premium. The minimum and maximum retrospective rating plan premiums are determined by applying the minimum and maximum retrospective rating plan premium factors, shown in the Schedule, to the standard premium.
- 3) If this endorsement applies to more than one policy or state, the standard premium will be the sum of the standard premiums for each policy and state.

D. Calculation of Retrospective Rating Plan Premium

- 1) We will calculate the retrospective rating plan premium using all loss information we have as of a date six months after the rating ends and annually thereafter.

We may make a special valuation of the retrospective rating plan premium as of any date that you are declared bankrupt or insolvent, make an assignment for the benefit of creditors, are involved in reorganization, receivership, or liquidation, or dispose of all your interest in work covered by the insurance. You will pay the amount due to us if the retrospective rating plan premium is more than the total standard premium as of the special valuation date.

- 2) After any calculation of retrospective rating plan premium, you and we may agree that it is the final calculation.
- 3) After each calculation of the retrospective rating plan premium, you will pay promptly the amount due us, or we will refund the amount due you. Each insured is responsible for the payment of all standard premium and retrospective rating plan premium calculated under this endorsement.

EXHIBIT V (Cont'd)

WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE POLICY

WC 00 05 03 C

E. Insureds Operating in More than One State

If any of the policies provide insurance in a state not listed in the Table of States, and if you begin work in that state during the retrospective rating plan period, this endorsement will apply to that insurance if this retrospective rating plan applies in that state on an interstate basis. The retrospective rating plan premium standard elements, and the elective elements you chose, will be determined by our manuals for that state, and added to the Schedule by endorsement.

F. Cancellation of a Policy Under a Retrospective Rating Plan

- 1) If the policy to which this endorsement is attached is cancelled, the effective date of the cancellation will become the end of the rating plan period of all insurance subject to this endorsement.
- 2) If other policies listed in the Schedule of this endorsement are cancelled, the effective date of cancellation will become the end of the rating plan period for all insurance subject to this endorsement unless we agree with you, by endorsement, to continue the rating plan period
- 3) If we cancel for nonpayment of premium, the maximum retrospective rating plan premium will be based on the standard premium for the rating plan period, increased pro rata to 365 days, and will include all of the applicable retrospective rating plan factors shown in the Schedule.
- 4) If you cancel, the standard premium for the rating plan period will be increased by our short rate table and procedure. This short rate premium will be the minimum retrospective rating plan premium and will be used to determine the basic premium.

The short rate premium will be used to determine the excess loss premium and retrospective development premium if you chose these elective elements.

The maximum retrospective rating plan premium will be based on the standard premium for the rating plan period, increased pro rata to 365 days.

- 5) Section F.4. will not apply if you cancel because:
 - a) All work covered by the insurance is completed
 - b) All interest in the business covered by the insurance is sold
 - c) You retire from all business covered by the insurance

Schedule

1) Other policies subject to this Retrospective Rating Plan Premium Endorsement _____

2) Loss Limitation: \$ _____

3) Loss Conversion Factor _____

Minimum Retrospective Rating Plan Premium Factor _____

Maximum Retrospective Rating Plan Premium Factor _____

- 4) The basic premium factors shown here are based on estimates of standard premium. If the actual standard premium is within the range of estimated standard premiums shown here, the basic premium factor will be obtained by linear interpolation to the nearest one-tenth of 1%. If the actual standard premium is not within the range of estimated standard premiums, shown below, the basic premium factor will be recalculated.

	50%	100%	150%
Estimated Standard Premium:	\$ _____	\$ _____	\$ _____
Basic Premium Factor:	_____	_____	_____

EXHIBIT V (Cont'd)

WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE POLICY

WC 00 05 03 C

- 5) The tax multipliers, excess loss premium factors, and retrospective development factors, and the states where they apply, are shown in the Table of States.

TABLE OF STATES

State	Excess Loss Premium Factors		Tax Multiplier		Retrospective Development Factors		
	State (Other than "F" Classes)	Federal ("F" Classes Only)	State (Other than "F" Classes)	Federal ("F" Classes Only)	1st	2nd	3rd

This endorsement changes the policy to which it is attached and is effective on the date issued unless otherwise stated.

(The information below is required only when this endorsement is issued subsequent to preparation of the policy.)

Endorsement Effective

Policy No.

Endorsement No.

Insured

Premium \$

Insurance Company

Countersigned by _____

EXHIBIT VI

WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE POLICY

WC 00 05 04 C

RETROSPECTIVE RATING PLAN PREMIUM ENDORSEMENT THREE-YEAR PLAN

This endorsement is added to Part Five (Premium) because you chose to have the cost of the insurance rated retrospectively. This endorsement explains the rating plan and how a retrospective rating plan premium will be determined.

This endorsement applies in the states listed in the Schedule. It determines the retrospective rating plan premium for the insurance provided during the rating plan period by this policy, any policy listed in the Schedule, and the renewals of each. The rating plan period is the three-year period beginning with the effective date of this endorsement.

The amount of retrospective rating plan premium depends on five standard elements and two elective elements.

A. Retrospective Rating Plan Premium Standard Elements

The five standard elements are explained here.

- 1) Standard premium is the premium we would charge during the rating plan period if you had not chosen a retrospective rating plan. Standard premium does not include the following elements and any other elements excluded based on our manuals:
 - Premium discount
 - Expense constant
 - Premium resulting from the nonratable element codes
 - Premium developed by the occupational disease rates for employers subject to the Federal Mine Safety and Health Act
 - Premium developed by the catastrophe provisions
- 2) Basic premium is less than standard premium. It is standard premium multiplied by a percentage called the basic premium factor. The basic premium factor varies depending on the total amount of standard premium. The basic premium factor includes:
 - General administration costs of the carrier
 - Cost of loss control services
 - Insurance charge

The basic premium factor does not cover premium taxes or claims adjustment expenses. Those elements are usually provided for in the tax multiplier and the loss conversion factor.

The Schedule shows a range of basic premium factors for differing amounts of estimated standard premium. The actual basic premium factor will be determined after the standard premium is determined. If earned standard premium is not within the range of the estimated standard premiums shown in the Schedule, the basic premium will be recalculated.

- 3) Incurred losses are all amounts we pay or estimate we will pay for losses, interest on judgements, expenses to recover against third parties, and employers liability loss adjustment expenses. This includes paid and outstanding losses (including any reserves set on open claims). If the allocated loss adjustment expense (ALAE) option is elected, then incurred losses will include ALAE.

Note: The rating formula for incurred losses will not include a loss for the following elements and any other elements excluded from our manuals, as applicable:

- Resulting from the nonratable element codes
 - For the disease-related portion of losses covered under the Federal Mine Safety and Health Act
 - Resulting from the application of catastrophe provisions
 - Reported as fully fraudulent
 - Reported as non-compensable
- 4) Converted incurred losses are based on the incurred losses for a policy or policies to which the retrospective rating plan applies. A loss conversion factor is applied to incurred losses to produce the converted incurred losses. The loss conversion factor is shown in the Schedule.

EXHIBIT VI (Cont'd)

WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE POLICY

WC 00 05 04 C

- 5) Taxes are a part of the premium we collect. Taxes are determined as a percentage of basic premium and converted incurred losses and any elective elements. The percentage is called the tax multiplier. It varies by state and by federal and non-federal classifications. The tax multipliers or an average tax multiplier are shown in the Schedule. Tax multipliers may change during the rating plan period. Changes will be shown by endorsement.

B. Retrospective Rating Plan Premium Elective Elements

Two other elements are included in determining retrospective rating plan premium if you elected to include them. They are the excess loss premium for the loss limitation and the retrospective development premium. They are explained here.

- 1) The election of a loss limitation means that the amount of incurred loss to be included in the retrospective rating plan premium is limited to an amount called the loss limitation. The loss limitation applies separately to each person who sustains bodily injury by disease and separately to all bodily injury arising out of any one accident.

The charge for this loss limitation is called the excess loss premium. Excess loss premium is a percentage of standard premium multiplied by the loss conversion factor. The percentage is called the excess loss premium factor.

Excess loss premium factors vary by state, by classification, and by the amount of the loss limitation. If you chose this elective element, the loss conversion factor, the loss limitation, the excess loss premium factors, and the states where they apply are shown in the Schedule. Excess loss premium factors may change during the retrospective rating plan policy period. Changes will be shown by endorsement.

- 2) The retrospective development element is used to help stabilize premium adjustments. The premium for this element is charged with the first three calculations of a retrospective rating plan premium and is called the retrospective development premium. It is a percentage of standard premium multiplied by the loss conversion factor. The percentage of standard premium is called the retrospective development factor.

Retrospective development factors vary by state, by electing a loss limitation, and by first, second, and third calculations of retrospective rating plan premium. If you chose this elective element, the retrospective development factors are shown in the Schedule.

C. Retrospective Rating Plan Premium Formula

Insurance policies listed in the Schedule will be combined with this policy to calculate the retrospective rating plan premium. If the policies provide insurance for more than one insured, the retrospective rating plan premium will be determined for all insureds combined, not separately for each insured.

- 1) Retrospective rating plan premium is the sum of basic premium, converted losses plus the excess loss premium and retrospective development premium elective elements if you chose them. This sum is multiplied by the applicable tax multiplier shown in the Schedule.
- 2) The retrospective rating plan premium will not be less than the minimum or more than the maximum retrospective rating plan premium. The minimum and maximum retrospective rating plan premiums are determined by applying the minimum and maximum retrospective rating plan premium factors, shown in the Schedule, to the standard premium.
- 3) If this endorsement applies to more than one policy or state, the standard premium will be the sum of the standard premiums for each policy and state.

D. Calculation of Retrospective Rating Plan Premium

- 1) We will calculate the retrospective rating plan premium using all loss information we have as of a date six months after the rating plan period ends and annually thereafter.

We may make a special valuation of a retrospective rating plan premium as of any date that you are declared bankrupt or insolvent, make an assignment for the benefit of creditors, are involved in reorganization, receivership, or liquidation, or dispose of all your interest in work covered by the insurance. You will pay the amount due us if the retrospective rating plan premium is more than the total standard premium as of the special valuation date.

We may make interim calculations of retrospective rating plan premium for the first year and the first two years of the rating plan period. We will use all loss information we have as of a date six months after the end of each of these periods.

EXHIBIT VI (Cont'd)

WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE POLICY

WC 00 05 04 C

- 2) After any calculation of retrospective rating plan premium, you and we may agree that it is the final calculation.
- 3) After each calculation of the retrospective rating plan premium, you will pay promptly the amount due us, or we will refund the amount due you. Each insured is responsible for the payment of all standard premium and retrospective rating plan premium calculated under this endorsement.

E. Insureds Operating in More than One State

If any of the policies provide insurance in a state not listed in the Table of States, and if you begin work in that state during a retrospective rating plan period, this endorsement will apply to that insurance if this retrospective rating plan applies in that state on an interstate basis. The retrospective rating plan premium standard elements, and the elective elements you chose, will be determined by our manuals for that state, and added to the Schedule by endorsement.

F. Cancellation and Nonrenewal of a Policy Under a Retrospective Rating Plan

- 1) If the policy to which this endorsement is attached is cancelled or is not renewed, the effective date of the cancellation or nonrenewal will become the end of the rating plan period for all insurance subject to this endorsement.
- 2) If the other policies listed in the Schedule of this endorsement are cancelled or not renewed, the effective date of cancellation or nonrenewal will become the end of the rating plan period for all insurance subject to this endorsement unless we agree with you, by endorsement, to continue the rating plan period.
- 3) If we cancel or do not renew for nonpayment of premium, the maximum retrospective rating plan premium will be the standard premium for the rating period, increased pro rata to three years (1,095 days), and will include all of the applicable retrospective rating plan factors shown in the Schedule.
- 4) If you cancel or do not renew, the standard premium for the rating plan period will be increased by our short rate table and procedure. This short rate premium will be the minimum retrospective rating plan premium and will be used to determine the basic premium.

The short rate premium will be used to determine the excess loss premium and retrospective development premium if you chose these elective elements.

The maximum retrospective rating plan premium will be based on the standard premium for the rating plan period, increased pro rata to three years (1,095 days).

- 5) Section F.4. will not apply if you cancel or do not renew because:
 - a) All work covered by the insurance is complete
 - b) All interest in the business covered by the insurance is sold
 - c) You retire from all business covered by the insurance

Schedule

- 1) Other policies subject to this Retrospective Rating Plan Premium Endorsement _____

- 2) Loss Limitation: \$ _____
- 3) Loss Conversion Factor _____
Minimum Retrospective Rating Plan Premium Factor _____
Maximum Retrospective Rating Plan Premium Factor _____

EXHIBIT VI (Cont'd)

WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE POLICY

WC 00 05 04 C

- 4) The basic premium factors shown here are based on estimates of standard premium. If the actual standard premium is within the range of estimated standard premiums shown here, the basic premium factor will be obtained by linear interpolation to the nearest one-tenth of 1%. If the actual standard premium is not within the range of estimated standard premiums, shown below, the basic premium factor will be recalculated.

	50%	100%	150%
Estimated Standard Premium:	\$ _____	\$ _____	\$ _____
Basic Premium Factor:	_____	_____	_____

- 5) The tax multipliers, excess loss premium factors, and retrospective development factors, and the states where they apply, are shown in the Table of States.

TABLE OF STATES

State	Excess Loss Premium Factors		Tax Multiplier		Retrospective Development Factors		
	State (Other than "F" Classes)	Federal ("F" Classes Only)	State (Other than "F" Classes)	Federal ("F" Classes Only)	1st	2nd	3rd

This endorsement changes the policy to which it is attached and is effective on the date issued unless otherwise stated.

(The information below is required only when this endorsement is issued subsequent to preparation of the policy.)

Endorsement Effective
Insured

Policy No.

Endorsement No.
Premium \$

Insurance Company

Countersigned by _____

EXHIBIT VII

WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE POLICY

WC 00 05 05 C

RETROSPECTIVE RATING PLAN PREMIUM ENDORSEMENT WRAP-UP CONSTRUCTION PROJECT

This endorsement is added to Part Five (Premium) because you chose to have the cost of the insurance rated retrospectively. This endorsement explains the rating plan and how the retrospective rating plan premium will be determined.

This endorsement applies in the states listed in the Schedule. It determines a retrospective rating plan premium for the insurance provided during the rating plan period by this policy, and policy listed in the Schedule, and the renewals of each. The rating plan period is the duration of the wrap-up construction project described on the Information Page, beginning with the effective date of this endorsement.

The amount of retrospective rating plan premium depends on five standard elements and two elective elements.

A. Retrospective Rating Plan Premium Standard Elements

The five standard elements are explained here.

- 1) Standard premium is the premium we would charge during the rating plan period if you had not chosen a retrospective rating plan. Standard premium does not include the following elements and any other elements excluded based on our manuals:
 - Premium discount
 - Expense constant
 - Premium resulting from the nonratable element codes
 - Premium developed by the occupational disease rates for employers subject to the Federal Mine Safety and Health Act
 - Premium developed by the catastrophe provisions
- 2) Basic premium is less than standard premium. It is standard premium multiplied by a percentage called the basic premium factor. The basic premium factor varies depending on the total amount of standard premium. The basic premium factor includes:
 - General administration costs of the carrier
 - Cost of loss control services
 - Insurance charge

The basic premium factor does not cover premium taxes or claims adjustment expenses. Those elements are usually provided for in the tax multiplier and the loss conversion factor.

The Schedule shows a range of basic premium factors for differing amounts of estimated standard premium. The actual basic premium factor will be determined after the standard premium is determined. If earned standard premium is not within the range of the estimated standard premiums shown in the Schedule, the basic premium will be recalculated.

- 3) Incurred losses are all amounts we pay or estimate we pay for losses, interest on judgements, expenses to recover against third parties, and employers liability loss adjustment expenses. This includes paid and outstanding losses (including any reserves set on open claims). If the allocated loss adjustment expense (ALAE) option is elected, then incurred losses will include ALAE.

Note: The rating formula for incurred losses will not include a loss for the following elements or any other elements excluded from our manuals, where applicable:

- Resulting from the nonratable element codes
 - For the disease-related portion of losses covered under the Federal Mine Safety and Health Act
 - Resulting from the application of catastrophe provisions
 - Reported as fully fraudulent
 - Reported as non-compensable
- 4) Converted incurred losses are based on the incurred losses for a policy or policies to which the retrospective rating plan applies. A loss conversion factor is applied to incurred losses to produce the converted incurred losses. The loss conversion factor is shown in the Schedule.

EXHIBIT VII (Cont'd)

WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE POLICY

WC 00 05 05 C

- 5) Taxes are a part of the premium we collect. Taxes are determined as a percentage of basic premium, converted incurred losses, and any elective elements. The percentage is called the tax multiplier. It varies by state and by federal and non-federal classifications. The tax multipliers or an average tax multiplier are shown in the Schedule. Tax multipliers may change during the rating plan period. Changes will be shown by endorsement.

B. Retrospective Rating Plan Premium Elective Elements

Two other elements are included in determining retrospective rating plan premium if you elected to include them. They are the excess loss premium for the loss limitation and the retrospective development premium. They are explained here.

- 1) The election of a loss limitation means that the amount of incurred loss to be included in the retrospective rating plan premium is limited to an amount called the loss limitation. The loss limitation applies separately to each person who sustains bodily injury by disease and separately to all bodily injury arising out of any one accident.

The charge for this loss limitation is called the excess loss premium. Excess loss premium is a percentage of standard premium multiplied by the loss conversion factor. The percentage is called the excess loss premium factor.

Excess loss premium factors vary by state, by classification, and by the amount of the loss limitation. If you chose this elective element, the loss conversion factor, the loss limitation, the excess loss premium factors, and the states where they apply are shown in the Schedule. Excess loss premium factors may change during the retrospective rating plan policy period. Changes will be shown by endorsement.

- 2) The retrospective development element is used to help stabilize premium adjustments. The premium for this element is charged with the first three calculations of a retrospective rating plan premium, and is called the retrospective development premium. It is a percentage of standard premium multiplied by the loss conversion factor. The percentage of standard premium is called the retrospective development factor.

Retrospective development factors vary by state, by electing a loss limitation and by first, second and third calculations of retrospective rating plan premium. If you chose this elective element, the retrospective development factors are shown in the Schedule.

C. Retrospective Rating Plan Premium Formula

Insurance policies listed in the Schedule will be combined with this policy to calculate the retrospective rating plan premium. If the policies provide insurance for more than one insured, the retrospective rating plan premium will be determined for all insureds combined, not separately for each insured.

- 1) Retrospective rating plan premium is the sum of basic premium, converted losses, plus the excess loss premium and retrospective development premium elective elements if you chose them. The sum is multiplied by the applicable tax multiplier shown in the Schedule.
- 2) The retrospective rating plan premium will not be less than the minimum or more than the maximum retrospective rating plan premium. The minimum and maximum retrospective rating plan premiums are determined by applying the minimum and maximum retrospective rating plan premium factors, shown in the Schedule, to the standard premium.
- 3) If this endorsement applies to more than one policy or state, the standard premium will be the sum of the standard premiums for each policy and state.

D. Calculation of Retrospective Rating Plan Premium

- 1) We will calculate the retrospective rating plan premium using all loss information we have as of a date six months after the rating plan period ends and annually thereafter.

We may make a special valuation of the retrospective rating plan premium as of any date that you are declared bankrupt or insolvent, make an assignment for the benefit of creditors, are involved in reorganization, receivership, or liquidation, or dispose of all your interest in work covered by the insurance. You will pay the amount due to us if the retrospective rating plan premium is more than the total standard premium as of the special valuation date.

We may make interim calculations of retrospective rating plan premium for the first year and the first two years of the rating plan period. We will use all loss information we have as of a date six months after the end of each of these periods.

EXHIBIT VII (Cont'd)

WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE POLICY

WC 00 05 05 C

- 2) After any calculation of retrospective rating plan premium, you and we may agree that it is the final calculation.
- 3) After each calculation of the retrospective rating plan premium, you will pay promptly the amount due us, or we will refund the amount due you. Each insured is responsible for the payment of all standard premium and retrospective rating plan premium calculated under this endorsement.

E. Insureds Operating in More than One State

If any of the policies provide insurance in a state not listed in the Table of States, and if you begin work in that state during a retrospective rating plan period, this endorsement will apply to that insurance if this retrospective rating plan applies in that state on an interstate basis. The retrospective rating plan premium standard elements, and the elective elements you chose, will be determined by our manuals for that state, and added to the Schedule by endorsement.

F. Cancellation and Nonrenewal of a Policy Under a Retrospective Rating Plan

- 1) If the policy to which this endorsement is attached is cancelled or not renewed, the effective date of the cancellation or nonrenewal will become the end of the rating plan period for all insurance subject to this endorsement.
- 2) If other policies listed in the Schedule of this endorsement are cancelled or not renewed, the effective date of cancellation or nonrenewal will become the end of the rating plan period for all insurance subject to this endorsement unless we agree with you, by endorsement, to continue the rating plan period.
- 3) If we cancel or do not renew for nonpayment of premium, the maximum retrospective rating plan premium will be based on the standard premium for the rating plan period, plus the estimated standard premium from the end of the rating plan period to the estimated project completion date, and will include all of the applicable retrospective rating factors shown in the Schedule.
- 4) If you cancel or do not renew, the standard premium for the rating plan period will be increased by our short rate table and procedure. This short rate premium will be the minimum retrospective rating plan premium and will be used to determine the basic premium.

The short rate premium will be used to determine the excess loss premium and retrospective development premium if you chose these elective elements.

The maximum retrospective rating plan premium will be based on the standard premium for the rating plan period plus the estimated standard premium from the end of the rating plan period to the estimated project completion date.

- 5) Section F.4. will not apply if you cancel or do not renew because:
 - a) All work covered by the insurance is complete
 - b) All interest in the business covered by the insurance is sold
 - c) You retire from all business covered by the insurance

Schedule

- 1) Other policies subject to this Retrospective Rating Plan Premium Endorsement _____

- 2) Loss Limitation: \$ _____

- 3) Loss Conversion Factor _____

Minimum Retrospective Rating Plan Premium Factor _____

Maximum Retrospective Rating Plan Premium Factor _____

EXHIBIT VII (Cont'd)

WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE POLICY

WC 00 05 05 C

- 4) The basic premium factors shown here are based on estimates of standard premium. If the actual standard premium is within the range of estimated standard premiums shown here, the basic premium factor will be obtained by linear interpolation to the nearest one-tenth of 1%. If the actual standard premium is not within the range of estimated standard premiums, shown below, the basic premium factor will be recalculated.

	50%	100%	150%
Estimated Standard Premium:	\$ _____	\$ _____	\$ _____
Basic Premium Factor:	_____	_____	_____

- 5) The tax multipliers, excess loss premium factors, and retrospective development factors, and the states where they apply, are shown in the Table of States.

TABLE OF STATES

State	Excess Loss Premium Factors		Tax Multiplier		Retrospective Development Factors		
	State (Other than "F" Classes)	Federal ("F" Classes Only)	State (Other than "F" Classes)	Federal ("F" Classes Only)	1st	2nd	3rd

This endorsement changes the policy to which it is attached and is effective on the date issued unless otherwise stated.

(The information below is required only when this endorsement is issued subsequent to preparation of the policy.)

Endorsement Effective

Policy No.

Endorsement No.

Insured

Premium \$

Insurance Company

Countersigned by _____

EXHIBIT VIII

WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE POLICY

WC 00 05 10 B

RETROSPECTIVE RATING PLAN PREMIUM ENDORSEMENT NONRATABLE CATASTROPHE ELEMENT OR SURCHARGE

This endorsement is issued because you chose to have the cost of the insurance rated retrospectively. This endorsement changes the retrospective rating plan premium endorsement attached to the policy.

- 1) Standard premium excludes the portion of the premium that is determined by the application of a nonratable catastrophe element in a rate or a nonratable catastrophe surcharge required by our manuals. The classification codes involving such premiums are listed in the Schedule below.
- 2) Incurred losses do not include the cost in excess of the two most costly claims arising out of an accident involving two or more persons under a classification code for which our manuals contain a nonratable catastrophe element. Catastrophe provisions, as described in our manuals, are included in the total policy premium, but excluded from the standard premium used in a retrospective rating plan premium.

Schedule

This endorsement changes the policy to which it is attached and is effective on the date issued unless otherwise stated.

(The information below is required only when this endorsement is issued subsequent to preparation of the policy.)

Endorsement Effective

Policy No.

Endorsement No.

Insured

Premium \$

Insurance Company

Countersigned by _____

Notes:

- 1) Use this endorsement if the policy is retrospectively rated and covers operations or classifications that involve a non-ratable catastrophe element or surcharge. Examples include aircraft operations and explosives and ammunition manufacturing classification. See the applicable Experience Rating Plan Manual.
- 2) Use the Schedule to list the classifications that affect this endorsement.

EXHIBIT IX

INDEX POLICY FORMS AND ENDORSEMENTS APPLICABLE IN NEW JERSEY

	STANDARD IDENTIFIER	VERSION IDENTIFIER±
Workers Compensation and Employers Liability Insurance Policy	WC 00 00 00	C ★
Information Page (With New Jersey Requirements)	WC 00 00 01	A ★
FEDERAL COVERAGES AND EXCLUSIONS		
Defense Base Act Coverage Endorsement	WC 00 01 01	A
Federal Employers' Liability Act Coverage Endorsement	WC 00 01 04	A
Longshore and Harbor Workers' Compensation Act Coverage Endorsement	WC 00 01 06	A
Outer Continental Shelf Lands Act Coverage Endorsement	WC 00 01 09	C ★
Notification Endorsement of Pending Law Change to Terrorism Risk Insurance Program Reauthorization Act of 2007	WC 00 01 14	
New Jersey Voluntary Compensation Federal Employers' Liability Act Coverage Endorsement	WC 29 01 01	
MARITIME COVERAGES AND EXCLUSIONS		
Maritime Coverage Endorsement	WC 00 02 01	B ★
Voluntary Compensation Maritime Coverage Endorsement	WC 00 02 03	
OTHER COVERAGE AND EXCLUSIONS		
Alternate Employer Endorsement	WC 00 03 01	A
Designated Workplaces Exclusion Endorsement	WC 00 03 02	
Insurance Company as Insured Endorsement	WC 00 03 04	
Joint Venture as Insured Endorsement	WC 00 03 05	
Rural Utilities Service Endorsement	WC 00 03 09	B
New Jersey Workers Compensation and Employers Liability Coverage for Residence Employees Endorsement	WC 29 03 02	A
New Jersey Employee Leasing Labor Contractor Endorsement	WC 29 03 03	
New Jersey Employee Leasing Client Exclusion Endorsement	WC 29 03 04	
New Jersey Employee Leasing Labor Contractor Exclusion Endorsement	WC 29 03 05	
New Jersey Part Two Employers Liability Endorsement	WC 29 03 06	B
New Jersey Sole Proprietor and Partners Coverage Endorsement	WC 29 03 07	
New Jersey Limited Other States Insurance Endorsement	WC 29 03 09	A
New Jersey Workers Compensation Insurance Plan Eligibility Endorsement	WC 29 03 10	
PREMIUM		
Anniversary Rating Date Endorsement	WC 00 04 02	
Experience Rating Modification Factor Endorsement	WC 00 04 03	
Pending Rate Change Endorsement	WC 00 04 04	
Policy Period Endorsement	WC 00 04 05	
Rate Change Endorsement	WC 00 04 07	
Premium Due Date Endorsement	WC 00 04 19	
Catastrophe (Other than Certified Acts of Terrorism) Premium Endorsement	WC 00 04 21	C
Terrorism Risk Insurance Program Reauthorization Act Disclosure Endorsement	WC 00 04 22	A
New Jersey Approved Managed Care Program Endorsement	WC 29 04 09	A
New Jersey Construction Classification Premium Adjustment Endorsement	WC 29 04 10	
New Jersey Premium Discount Endorsement: Schedule Y	WC 29 04 11	A
New Jersey Premium Discount Endorsement: Schedule X	WC 29 04 12	
RETROSPECTIVE PREMIUM		
Retrospective Rating Plan Premium Endorsement – One Year Plan	WC 00 05 03	C ★
Retrospective Rating Plan Premium Endorsement – Three Year Plan	WC 00 05 04	C ★
Retrospective Rating Plan Premium Endorsement – Wrap-Up Construction Project	WC 00 05 05	C ★
Retrospective Premium Endorsement Aviation Exclusion	WC 00 05 08	
Retrospective Premium Endorsement Changes	WC 00 05 09	A
Retrospective Rating Plan Premium Endorsement Nonratable Catastrophe Element or Surcharge	WC 00 05 10	B ★
Retrospective Premium Endorsement Short Form	WC 00 05 11	
Retrospective Rating Plan Premium Endorsement – Large Risk Alternative Rating Option (LRARO)	WC 00 05 16	
New Jersey Retrospective Premium Endorsement Part Two Employers Liability Insurance Excess Exclusion	WC 29 05 09	C
New Jersey Retrospective Premium Endorsement – Long Term Construction Project	WC 29 05 12	A
New Jersey Large Risk – Large Deductible Endorsement	WC 29 06 01	A
New Jersey Large Risk – Large Deductible Retrospective Adjustment Endorsement	WC 29 06 02	B
New Jersey Large Risk – Large Deductible Aggregate Limit Endorsement	WC 29 06 04	
New Jersey Large Risk – Large Deductible Retrospective – Per Person Basis	WC 29 06 05	
OTHER		
Policy Information Page Endorsement	WC 89 06 00	B
New Jersey Participating Provisions Endorsement	WC 29 06 03	
NEW JERSEY NOTICES		
New Jersey Notice of Cancellation	Form 116-B	
New Jersey Notice of Reinstatement	Form 117-A	
New Jersey Posting Notice	Form 16NJ	A
New Jersey Posting Notice (Spanish)	Form 17NJ	
New Jersey Notice of Election – Proprietors and Partners Workers Compensation and Employers Liability Insurance	Form PP-1	B
New Jersey Transmittal Letter	Form TL-1	

± Absence of a version identifier denotes original printing
★ New or revised forms